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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

Defendant.
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In re:

BERNARD L. MADOFF,

Debtor.
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IRVING H. PICARD, Trustee for the Substantively
Consolidated SIPA Liquidation of Bernard L. Madoff
Investment Securities LLC and Bernard L. Madoff

Plaintiff,

v.

FAIRFIELD PAGMA ASSOCIATES, LP, a New York
York limited partnership, SEYMOUR KLEINMAN,
ESTATE OF MARJORIE KLEINMAN aka MARJORIE
HELENE KLEINMAN, BONNIE JOYCE KANSLER,
as executor, FAIRFOX, LLC, a New York limited liability
company, and SEYFAIR, LLC, a New York limited
liability company,

Defendants.
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:
: SIPA LIQUIDATION

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: No. 08-01789 (CGM)

:
: Adv. Pro. No. 10-05169

:
: **DECLARATION OF**
: **BONNIE JOYCE KANSLER**

I, Bonnie Joyce Kansler, hereby declare under penalty of perjury, as follows:

1. I am a named defendant in this adversary proceeding in my capacity as executor of the estate of my mother, Marjorie Kleinman. I make this declaration in opposition to the motion for summary judgment filed by Irving H. Picard, as trustee ("Trustee"), for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities LLC and the estate of Bernard L. Madoff. I make this declaration based on personal knowledge. I am fully familiar with the facts set forth herein.

2. I have been a certified public accountant since 1982. I prepared the tax returns for Fairfield Pagma Associates, LP ("Fairfield Pagma") in 2007 and 2008 and, as an additional courtesy to my family, provided general support and assistance on tax related matters during that time period as my uncle, Seymour Kleinman, became ill.

3. Fairfield Pagma was a limited partnership. My mother, Marjorie Kleinman, and my uncle, Seymour Kleinman, were the initial general partners of Fairfield Pagma at the time of its formation.

4. Fairfox, LLC ("Fairfox") was a limited liability company formed in late 2004 for the purpose of replacing Marjorie Kleinman as a general partner of Fairfield Pagma. Marjorie Kleinman contributed 100% of her general partnership interest in Fairfield Pagma (\$50,000) to Fairfox in exchange for 100% of the ownership interest in Fairfox. Fairfox contributed \$50,000 to Fairfield Pagma for its initial capital contribution and was substituted as general partner.

5. At or around the same time in 2004, Seyfair, LLC ("Seyfair") was formed for the purpose of replacing Seymour Kleinman as general partner of Fairfield Pagma and, at around the same time as Fairfox, was substituted as general partner.

6. These transactions are reflected in the Fairfox Operating Agreement, attached as Exhibit B to the declaration of my son, Adam Kansler.

7. I reviewed the 2005 Form K-1s issued by Fairfield Pagma to Marjorie Kleinman, Seymour Kleinman, Fairfox and Seyfair. True and correct copies of these Form K-1s are attached to the declaration of my cousin, Ronni Leo, who prepared the tax returns that year, as Exhibit A. The K-1s reflect that the individuals Marjorie Kleinman and Seymour Kleinman each withdrew their capital investments in Fairfield Pagma (\$50,000 for Marjorie and \$35,000 for Seymour) and Fairfox and Seyfair each contributed initial capital to Fairfield Pagma (\$50,000 for Fairfox and \$35,000 for Seyfair) as general partners.

8. Part II ("Information about the Partner") of the K-1s issued to Fairfox and Seyfair for 2005 indicates with an "X" in the box for "General Partner or LLC member-manager," that Fairfox and Seyfair were general partners of Fairfield Pagma during that year. The same information confirming the status of Fairfox and Seyfair as general partners of Fairfield Pagma is indicated on the K-1s issued to Fairfox and Seyfair in 2007 and 2008, the two years in which BLMIS made the distributions to Fairfield Pagma which the Trustee seeks to clawback. True and correct copies of these Form K-1s for 2007 and 2008 are attached hereto as Exhibit A.

9. In addition, the Form 1065s filed for Fairfield Pagma for 2007 and 2008 indicate that Seyfair was designated as the Tax Matters Partner for Fairfield Pagma for those tax years. The tax matters partner is required to be a general partner of the partnership filing the return. True and correct copies of the Form 1065s for Fairfield Pagma filed in 2007 and 2008 are attached hereto as Exhibit B.

10. Seyfair and Fairfox remained the sole general partners of Fairfield Pagma from 2005 until its termination following the collapse of Bernard L. Madoff Investment Securities LLC and the arrest of Bernard L. Madoff.

11. I am aware that the Trustee has alleged Seymour Kleinman and Marjorie Kleinman were general partners of Fairfield Pagma between December 11, 2006 and December 11,

2008. *See* Pl. Memo of Law, pp. 2, 37. This is false. Seymour Kleinman and Marjorie Kleinman were not general partners of Fairfield Pagma at any time between December 11, 2006 to December 11, 2008.

12. Marjorie Kleinman passed away on October 26, 2014.
13. Fairfax was inactive and defunct as of Fairfield Pagma's dissolution.
14. None of the Defendants received or retained limited partner distributions from Fairfield Pagma in 2007 or 2008.

Dated: December 22, 2021
New York, New York

Respectfully submitted,


Bonnie Joyce Kansler